GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:3606
ANSWERED ON:27.04.2007
TIMELY COMPLETION OF POWER PROJECTS
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Will the Minister of POWER be pleased to state:

(a) whether the Government is aware that poor execution of centrally funded power projects leading to time and huge cost-overrun;

(b) if so, the details of such projects along with the revised estimation of project cost;

(c) whether the Government has examined the reasons behind such delays;

(d) if so, details thereof;

(e) whether the Government proposes to constitute a Task Force for planning and monitoring the project implementation for timely completion of projects; and

(f) if so, the details thereof?

Answer

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE)

(a) & (b) : As per information received from Central Electricity Authority, a few of the ongoing Central Sector generation projects have reported time and cost overrun. The details of these projects are at Annex- I.

(c) & (d) : The broad reasons for delay in project execution leading to time and cost overruns are given below:-

(i) Delay in placement of award.

(ii) Delay in supply of material by supplier/erection by contractor

(iii) Delay in investment decisions

(iv) Contractual problems

(iv) Land acquisition problems

(vi) Geological surprises

(vii) Natural calamities such as floods etc.

(e) & (f) : A Standing Committee on Time and Cost Overruns in Ministry of Power examines every Central Sector project requiring approval of Cabinet Committee on Economic Affairs (CCEA) on revised cost estimates.

To avoid delays in execution of projects, an effective monitoring mechanism has been put in place. The CEA has a nodal officer for each project during its execution.